

Message Text

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PAGE 01 CAIRO 07110 241712Z

64

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
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R 241515Z MAY 76
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 3805
INFO AMEMBASSY TEHRAN

S E C R E T CAIRO 7110

EXDIS

E.O. 11652: GDS
TAGS: EAID EGEN
SUBJ: EMERGENCY ASSISTANCE FOR EGYPT: IRAN

REF: (A) TEHRAN 4623, (B) CAIRO 6348, (C) TEHRAN 4815

1. NOT UNTIL TODAY DID I HAVE A CHANCE TO TALK WITH
IRANIAN AMBASSADOR BAHRAMI. HE RELATED THE FOLLOWING:
AS AMBASSADOR HELMS HAS REPORTED, WHEN BAHRAMI
APPROACHED THE SHAH ABOUT EMERGENCY ASSISTANCE FOR
EGYPT, THE SHAH WAS NEGATIVE. WHILE ANXIOUS TO
SUPPORT SADAT, THE SHAH ATTRIBUTED HIS INABILITY TO
HELP TO THE SHORTFALL IN OIL INCOME. I POINTED OUT
THAT WE APPRECIATE IRAN'S CURRENT FINANCIAL PROBLEMS
AND THE FACT THAT CASH ASSISTANCE MAY NOT BE POSSIBLE.
HOWEVER, AS BAHRAMI WOULD RECALL, WE HAD SUGGESTED
AN IRANIAN BANKGUARANTEE, WHICH WOULD INVOLVE NO
CASH OUTLAY. BAHRAMI CLAIMED HE ALSO MENTIONED THIS
TO THE SHAH, BUT WAS GIVEN SAME ANSWER.

3. BAHRAMI, WHO SEEMED ANXIOUS TO SEEK ME OUT TO
DISCUSS THE MATTER, THEN MADE HIS PITCH. THE SHAH
TOLD HIM THAT, IF THE AMERICAN OIL COMPANIES WERE
TO EXPRESS WILLINGNESS TO RESUME NEGOTIATIONS
WITH IRAN, IT MIGHT BE POSSIBLE FOR IRAN TO DO
SOMETHING FOR EGYPT. CLAIMING TO BE SPEAKING PURELY
PERSONALLY, BAHRAMI URGED USG APPROACH AMERICAN OIL

SECRET

SECRET

PAGE 02 CAIRO 07110 241712Z

COMPANIES TO ASK THEM TO RESUME NEGOTIATIONS WITH

IRAN ON OUTSTANDING ISSUES. THIS SHOULD BE DONE BEFORE SADAT'S OFFICIAL VISIT TO IRAN BEGINNING JUNE 16. SUCH AN INITIATIVE BY AMERICAN OIL COMPANIES, BAHRAMI OPINED, WOULD HAVE SALUTARY EFFECT AND MIGHT ENABLE IRAN TO ASSIST EGYPT.

4. I TOLD BAHRAMI I WOULD CONVEY HIS SUGGESTION, BUT NOTED THAT IRANIAN HELP FOR SADAT AND THE UNRESOLVED IRANIAN OIL ISSUES ARE REALLY TWO SEPARATE MATTERS THAT OUGHT NOT TO BE LINKED. IT IS IN BOTH IRAN'S AND US INTEREST THAT PRESIDENT SADAT'S POSITION AND POLICIES BE STRENGTHENED THROUGH NEEDED OUTSIDE FINANCIAL SUPPORT IN THIS CRITICAL PERIOD. AS BAHRAMI KNEW, USG IS DOING ITS UTMOST TO HELP. WE CONTINUE TO HOPE THAT IRAN WILL DO THE SAME. BAHRAMI CLAIMED HE PERSONALLY AGREES AND HAD SO RECOMMENDED. UP TONOW, HOWEVER, HE HAS COME UP AGAINST A STONE WALL.

5. RE REFTTEL C, BAHRAMI PROFESSED UNAWARENESS OF ANY CROSS DEFAULT PROBLEM.

6. COMMENT: EMBASSY TEHRAN IS BETTER ABLE TO EVALUATE THIS PITCH, BUT IT STRIKES ME AS A CONTRIVED IMPERIAL EFFORT TO USE OUR AVOWED INTEREST IN OBTAINING IRAN'S HELP FOR SADAT AS A MEANS TO GET US TO PRESS THE AMERICAN OIL COMPANIES TO BE MORE ACCOMMODATING TO IRANIAN WISHES. ALTHOUGH BAHRAMI PROFESSED TO BE SPEAKING PERSONALLY, I SUSPECT THIS WAS ALSO AN CONTRIVED LINE. STILL PUZZLING IS THE INCOMPATIBILITY OF THIS LATEST IRANIAN POSITION AND WHAT THE EGYPTIANS PROFESS TO BELIEVE THE SHAH HAS AGREED TO DO. BOTH PRIME MINISTER MAMDUH SALEM AND ABU ISMAIL TOLD DEPUTY SECRETARY ROBINSON THAT, DURING VP MUBARAK'S VISIT, THE SHAH HAD AGREED TO AN IRANIAN BANK GUARANTEE. SALEM SPOKE OF \$250 MILLION BANK GUARANTEE. EITHER THE EGYPTIANS HAVE IT WRONG, WHICH IS QUITE POSSIBLE, OR THE EGYPTIANS WERE NOT SUPPOSED TO TELL US ABOUT THE SHAH'S ALLEGED COMMITMENT TO MUBARAK. I THEREFORE MADE NO MENTION OF SALEM'S OR ABU ISMAIL'S
SECRET

SECRET

PAGE 03 CAIRO 07110 241712Z

PERTINENT COMMENTS. IN ANY CASE, THE OFFICIAL IRANIAN LINE AT THE MOMENT SEEMS TO BE THAT IF USG WILL PUSH THE OIL COMPANIES TO RESUME NEGOTIATIONS, IRAN MIGHT BE ABLE TO HELP EGYPT AND THAT ALL OF THIS OUGHT TO BE DONE BEFORE SADAT'S VISIT IN MID-JUNE.
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 24 MAY 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CAIRO07110
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760201-1051
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760521/aaaaaskc.tel
Line Count: 113
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: 76 TEHRAN 4623, 76 CAIRO 6348, 76 TEHRAN 4815
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 07 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JUN 2004 by SmithRJ>; APPROVED <01 OCT 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EMERGENCY ASSISTANCE FOR EGYPT: IRAN
TAGS: EAID, EGEN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006